



GRANTS FACT SHEET

Goods and Services Tax (GST)

This fact sheet has been developed to assist organisations applying for Grants through Communities, Sport and Recreation Grants Programs.

Goods and Services Tax (GST) is a broad-based tax of 10% on the sale of most goods, services and anything else consumed in Australia.

If you run a business or other enterprise and have a GST turnover of \$75,000 or more or are a not-for-profit organisation with a turnover of \$150,000 or more you must register for GST. If you are a not-for-profit and your organisation has a turnover of less than \$150,000 you can choose whether or not you register for GST.

For not-for-profit organisations, once your turnover reaches \$150,000 your organisation must register for GST within 21 days. Any grants received need to be included in your turnover.

Registering for GST

Organisations can register for GST online, by phone or through a registered agent.

To register for GST your organisation needs to complete an application form available from the [Australian Tax Office](#).

Before your organisation registers for GST it must have an ABN. You can also register for GST when you [apply for an ABN](#).

What registering for GST means

Being GST registered means that your organisation:

- Must pay the GST it has collected from sales to the ATO;
- Can claim GST credits for any GST included in the price of business purchases; and
- Must complete a business activity statement (BAS) to report its taxable sales and claim GST credits.

For further information

Please contact the [Australian Tax Office](#) or your accountant for further information about GST, how to register for GST, or the implications of GST for your organisation.

Grants and GST implications

If your organisation receives a grant from Communities, Sport and Recreation, you must be aware that this may affect your organisation's turnover amount and whether or not your organisation must register for GST.

A series of examples about the implications of GST on organisations applying for and receiving grants from Communities, Sport and Recreation are provided below.



EXAMPLE 1: Registered for GST

For organisations that are registered for GST, Communities, Sport and Recreation will pay the GST amount on top of the approved funding, as per the below example:

Organisation A is approved for grant funding of \$20,000 which is GST exclusive. Communities, Sport and Recreation will make grant payments totalling \$22,000 (\$20,000 GST exclusive funding + \$2,000 GST component).

EXAMPLE 2: Not registered for GST

For organisations that are NOT registered for GST, Communities, Sport and Recreation will only pay the grant amount and will not pay GST on top of the approved grant funding, as per the below example:

Organisation B is approved for grant funding of \$20,000 which is GST exclusive. Communities, Sport and Recreation will only make grant payments totalling \$20,000 (\$20,000 GST exclusive funding).

EXAMPLE 3: GST Threshold

For organisations that are NOT registered for GST, but by receiving the grant will exceed the GST threshold (or expect to reach the GST threshold) will be required to register for GST, as per the below example:

Organisation C is a not-for-profit organisation with income of \$100,000 per year. The organisation is to receive grant funding of \$50,000 which is GST exclusive. Although the organisation is not registered for GST, it must now register for GST within 21 days and notify Communities, Sport and Recreation to process the payment totalling \$55,000 (\$50,000 GST exclusive funding + \$5,000 GST component)